

City Manager's



Weekly Update Friday, October 12, 2007

Notes of Interest:

Ratings agencies: City staff made presentations Friday in San Francisco with ratings representatives from Standard and Poor's and Fitch in preparation for the \$30.6 million wastewater financing. Keeping to form, S&P's analyst (who was behind the recent upgrade in the electric utility's outlook) did not have many questions or provide feedback, but representatives from Fitch asked "what if?" questions. The City Manager and Deputy City Manager were pleased with the presentations and confident of a rating in the "A" range.

The City is hopeful it will receive its credit rating by October 24, allowing it to receive bids from insurance companies by Oct. 26. Insurance will boost the effective rating of the bonds to AAA. The City Council is scheduled to authorize the sale of the certificates on November 7, allowing them to be sold before Thanksgiving, with the sales closing in the first week of December.

Public Works staff is working with the wastewater plant contractor to pin down a quote for repairing the pipeline between Lodi and White Slough.

Utility payoff: The Electric Utility received a wired payment of \$3.25 million from Roseville Electric as required under the CT-1 sales agreement. Roseville will begin taking over the Lodi EUD's ongoing debt service and operations and maintenance payments linked to the power plant for an annual savings of roughly \$2 million this fiscal year.

The sale will boost the Electric Utility's reserve closer to the City Council-approved target of \$13 million. The utility had \$5.5 million in reserves at the end of the 2006-2007 fiscal year.

Transmission lines: A meeting between City staff and property owners west of Lodi to discuss a future route for power lines was canceled after one of the owners insisted the 1991 City Council agreed never to build power lines to the west.

Because of the owner's concerns, City staff researched the minutes of City Council meetings in 1991 and could not find any record of an agreement. The only meeting on the subject at the time occurred during a Shirtsleeve Session, when no action could be taken. Minutes of the meeting don't reflect any representations made by staff or the City Council.

The Utility is looking at potential routes for the 60kv lines, which would be mounted on a series of single poles. The new lines would improve system reliability, allow for increased demand for power in Lodi, and reduce the City's dependence on PG&E's infrastructure for electricity.

Sidewalk repairs: The recent news stories about sidewalk repairs provide an opportunity to remind the community that the State's Streets and Highways Code, 1911 Act, stipulates that the owner of the fronting property is responsible for maintaining the sidewalk in good and non-hazardous condition (Chapter 22 of Division 7, Part 3). In housing developments, the developer includes the cost of sidewalks into a home's purchase price, with the buyer (and successive buyers) agreeing to providing a safe public right-of-way.

Truck meeting: Staff is working with Assemblyman Alan Nakanishi's office to set up a meeting between local trucking companies, Caltrans, the California Highway Patrol, Lodi police and Public Works to discuss the CHP's recent enforcement of truck-route rules.

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